

VUB

16 April 2008

Review of the Broadcasting Communication

Pedro DIAS

Overview

- State aid and broadcasting
- Review of the Broadcasting Communication
- What is public service in the new media age?

What's the story?

- Why are we looking into the financing of public service broadcasting?
- What do we check and what not?
- What is our daily work?
- How does this fit into the overall Community context?

Why are we looking into the financing of public service broadcasting ?

- Emergence of private broadcasters and first complaints
- Genesis of the State aid policy

What do we assess?

- Is any advantage to public service broadcasters an aid?
- What's the difference between "new" and "existing aid"?
- Can the aid be declared compatible?

What do we assess?

- General principles and requirements
 - Public service definition;
 - Explicit and precise entrustment;
 - Proportionality:
 - Exclusion of overcompensation;
 - Transparency in the financing and control
 - Other possible distortions?
- Limits to our assessment

Our cases

- Dealing with complaints from competitors and few notifications from Member States
- Dealing with “complaining citizens”

Review of the BC - reasons for the review

- Overall, the current rules worked fine; but
- Complaints and State aid investigations – some degree of legal uncertainty
- Clarification provided by Commission practice not fully reflected in current rules
- Emergence of new potential competition problems
- New legal framework conditions and market developments

Objectives of the review

- Basic requirements stay the same
- Increased transparency and legal certainty
- Future-proof framework adapted to new media environment
- Implementation of shared competences

Scope for amendments

- No general overhaul but focus on some issues
- Public service remit:
 - Recognition of development of remit into new areas (internet, mobile, etc.)
 - Possible safeguards against market distortions due to publicly funded new media activities
- Overcompensation
 - Control mechanisms against overcompensation
 - Margin of flexibility in funding arrangements

Review of the BC – public consultation

- Public consultation 10.1.2008-10.3.2008
- Attracted a lot of interest
- Consensus on the fact that the current BC has worked well. No consensus on need to revise it

Next steps

- Assessing the replies and publishing them
- Internal consultations within the Commission
- Possibly proposal for revised BC
- Publication of revised BC and discussions with MS and stakeholders

What is public service in the new media age?

- Unsolved issue in Commission practice
- Pay for on-line content: highly controversial issue - extreme positions:
 - PSBs: Just like any other form of financing - advertising / license fee / pay per content...
 - Private broadcasters: Insofar as services are already offered by private operators, there is no reason for PSBs to enter market

What is public service in the new media age?

- Extreme examples: live streaming of PSB content – public service
- Downloading of music for fee in blatant competition with existing offers (iTunes style) – commercial activity
- Grey zone – series stacking (iPlayer example)

Conclusions

- Challenging sector
- Need adapted regulatory framework